

# Sri Lanka: Development Space vs Democracy Space

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Sirasa TV journalist, Chandana Sooriyabandara, once observed that this presidential election was 'one of the most boring election he had ever seen'. He further said that people participated more enthusiastically even in local government elections. Media, especially electronic media, has been trying hard to make the election campaign interesting but with little success primarily because for many media institutions only two candidates exist. Two candidates and those who support them do not debate on policies since they both submitted almost the same manifestos. As a result it is slinging mud on each other that dominates the campaign. People like some fun in election rallies, but they would like to hear at least one or two speeches outlining how the candidates propose to make the lives of the people better if they come to power. So many voters are irresolute. Many have already decided to vote for either candidate A or candidate B, nonetheless think that they cannot trust them and there will not be any substantial changes to their lives in future. The second group say that they will either abstain from voting or spoil the vote or vote for a third candidate. In such a situation whatever the outcome of the election on January 8, the negative vote will prevail.

In the absence of clear policy differences between two main presidential candidates, I posed a question to myself: Why two candidates? After schematic categorization that we academics usually do I have come up with a typology that helps me to demarcate a line between two candidates. I propose that Mahinda Rajapaksa (MR) stands for expanding the development space while Maithreepala Sirisena (MS) for extending democratic space. However, this should not be interpreted to imply that the two projects two candidates have submitted will work if they were put into practice. Moreover, like my good friend Professor Jayadeva Uyangoda, I also think that both candidates will not even implement what they propose after getting elected. My objective in this article is to discuss what is actually meant by extending development space and extending democratic space.

## Extending Development Space

The idea of expanding and extending developmental space has to be discussed in relation to two related concepts since MR appears to be integrating them in his perspective. The first is the notion of developmental state as it was practiced in the East Asian dragons. Developmental state is economically interventionist and politically authoritarian. This political authoritarianism executed by politicians and the state bureaucracy is imperative in intervening in the economic structure. However, what MR suggests is somewhat different from the classical developmental state model. It is from this fact that his idea of extending developmental space links the second notion, namely, neoliberalism. David Harvey defines neoliberalism as follows: "Neoliberalism is a theory of political

economic practices proposing that human well-being can best be advanced by the maximization of entrepreneurial freedoms within an institutional framework characterized by private property rights, individual liberty, unencumbered markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to be concerned, for example, with the quality and integrity of money. It must also set up military, defense, police, and judicial functions required to secure private property rights and to support freely functioning markets. Furthermore, if markets do not exist (in areas such as education, health care, social security, or environmental pollution), then they must be created, by state action if necessary. But beyond these tasks the state should not venture. State interventions in markets (once created) must be kept to a bare minimum because the state cannot possibly possess enough information to second-guess market signals (prices) and because powerful interests will inevitably distort and bias state interventions (particularly in democracies) for their own benefit." Hence neoliberalism contradicts the very idea of the developmental state.

Although MR claims that his regime has resolved this conundrum by developing new modalities, the experience in that last five years does not support this view. Hence extending developmental space remains problematic even at a time MR asks for a third term. Below, I identify several reasons, some are general and some specific to Sri Lanka:

1. The Increasing dominance of Multinational Corporations in critical industries: As a result, barriers to entry that exist in key sectors are significantly strong. Global FDI is controlled by MNCs. In 2007, 100 largest firms of the world held 57 per cent of their total assets outside of their home states. It should also be noted that their non-equity linkages are also significant. In such a situation, the space in which the nation-state can operate is getting increasingly narrow.
2. Global Financial and Trade Architecture: Robert Wade argues that WTO arrangements have restricted the capacity of the nation-state to access technologies and regulate market access in order to implement coherent national economic strategy. [1] Similarly, the IMF-WB conditionalities, both explicit and implicit, and overt and covert, impose further constraints in independent decision-making basic macro variables.
3. The lack of proper industrial policy in Sri Lanka: Last five years have shown that the higher rate of growth has been achieved primarily through infra-structure development financed through foreign loans. The government appeared to put more emphasis on service sector rather than in production sector. It is clear that proper economic development, not just an increase in average per capita output, cannot be achieved unless the government switch over to production-centered economy.
4. The development strategy that is being adopted is pro-rich and anti-poor. This is clearly visible in the construction, education, health and transport sectors.
5. MR appears to suggest that economic development and democracy cannot be achieved simultaneously. This idea directly stems from the development policies of the East Asian dragon countries. Hence, it claims that democracy naturally follows economic development. This was clear from the reply he gave at the Momentum digital discussion. Redefining good governance, he said that the construction of highways, airports and harbors cannot be achieved if there was no good governance. This answer signifies the narrow meaning given to democracy in neoliberal developmental discourse.

## **Extending Democratic Space**

Maithreepala Sirisena's and his supporters claim that the government under MS will expand and extend democratic space is equally flawed. At the very beginning, MS has introduced some constraints on democratization. Hence, the executive presidential system that was one of the key pillars of de-democratisation will stay with minor modifications. What will emerge is prior- 18<sup>th</sup> Amendment situation. In his definition of democracy there is no specific national question so it can be bracketed. More importantly, he proposes to extend democracy within the existing economic neoliberal framework with more leanings to the West. What we can expect under MS regime is a strict adaptation of so-called Regaining Sri Lanka of the previous UNP government.

This is clear when we look at MS's Manifesto on education. The present regime in which MS had been a partner for 10 years introduced the process of heavy commodification in education and health sectors. MS proposes increase in government expenditure on education to 6% of the GDP. This is commendable. However, mischievous character of this proposal can be seen in the next paragraph. One of the key criticisms against increasing expenditure on education is that the government revenue is so low so that it is economically not doable. It is interesting to note that in MS manifesto only seemingly viable revenue increasing proposal is in relation to education. What does he propose? Introduction of fee levying system in higher education. So increasing expenditure will be financed by increasing revenue by introducing tuition fees in the universities and higher education institutions. So MS's promise to increase educational expenditure is a myth, a chimera. MS suggest introduction of fees when even some capitalist countries like Germany is moving for totally free education system.

What does this mean? MS's extending democratic space within the same principles of neo-liberalism will be a myth. Two candidates, in my opinion, offer neither development nor democracy. Hence, they ask people in Sri Lanka, especially the poor in Sri Lanka, to walk around time and again the vicious cycle of poverty, injustice and oppression.

**Sumanasiri Liyanage**

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**P.S.**

\*[http://www.island.lk/index.php?page\\_cat=article-details&page=article-details&code\\_title=117180](http://www.island.lk/index.php?page_cat=article-details&page=article-details&code_title=117180)

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### **Footnotes**

[1] Wade. Robert. 'What Strategies are Viable for Developing Countries Today? The World Trade Organization and the Shrinking of "Developmental Space"'. *Review of International Political Economy*, Vol. 10, No. 4, pp 621- 44.